

Susan Cotner  
255 Orange Street  
Albany, NY 12210-2400

June 9, 2008

Karen Walter  
Federal Housing Finance Board  
1625 Eye Street Washington, DC 20006

Dear Karen Walter:

I write to oppose the Proposed Rule published by the Federal Housing Finance Board (FHFB) on Wednesday, April 16, 2008.

This proposal rewards members for making nontraditional loans with interest rate risks. Members can restructure loans on their own without removing a critical resource for asset building through homeownership for low income families.

In Albany, New York, the problem lenders with foreclosure issues are not members of the FHLB. In fact, we have successfully used the AHP-funded First Home Club program from the FHLB of NY to help attract lower-income families away from brokers who offer risky loans. The families who participate receive extensive education and receive excellent first time buyer mortgage products.

The proposed reallocation of resources away from home purchase dramatically diminishes resources for low-income homebuyers at a time where it is more difficult to get a mortgage loan. And, there is an abundance of resources now available for counseling for those facing mortgage delinquency and default to help them negotiate a win-win solution with their lender.

We strongly urge the continued availability of incentives to attract first time buyers to solid mortgage companies with programs that require home buyer education, thereby helping future buyers avoid risky mortgage products.

The FHLBanks have an incredible amount of resources to aid families facing foreclosure, it is unfortunate that the first resource the Finance Board encourages them to use is AHP, "the crown jewel of the System."

Sincerely,

Susan Cotner  
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